

Date: April 1, 2011

From: Wisconsin Department of Public Instruction

To: District Administrators

With the release of the Governor's 2011-2013 biennial budget proposal, we have received numerous questions about the Individuals with Disabilities Education Act's (IDEA) maintenance of effort (MOE) requirement, including questions about the impact of reductions in staff benefit costs and layoffs. The MOE requirement prohibits a local educational agency (LEA) from using IDEA funds to reduce the level of local expenditures for special education services below the level for the preceding fiscal year. [34 CFR § 300.203] A complete guide to IDEA's MOE requirement can be found at <http://dpi.wi.gov/sped/pdf/idea-moe-guide.pdf>.

There are some exceptions permitting an LEA to reduce its required local special education fiscal effort. The LEA may reduce its effort if the reduction in expenditures is attributable to:

- The voluntary departure or departure for just cause of special education or related services personnel;
- A decrease in enrollment of students with disabilities;
- A student moves out of the LEA's jurisdiction, graduates, ages out, or no longer needs the high cost special education program.
- The termination of costly expenditures for long-term purchases, such as equipment or construction of school facilities.
- The assumption of cost by the high cost special education fund operated under 34 CFR 300.704(c).

However, the U.S. Department of Education has not recognized savings from layoffs as exceptions. Also they have not recognized savings from reduced staff benefits as exceptions. For LEAs this may mean putting savings from reduced benefits back into special education, even though the actual level of special education services is not reduced by the benefit reduction. District administrators should work with their business offices and special education leadership to ensure IDEA's maintenance of effort requirement is met for 2011-2012. The DPI has developed a calculator to assist you. It can be found at <http://www.dpi.wi.gov/sped/xls/moe-2011-12-calculator.xlsx>.